IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 203 of 2006
In
COMPANY APPLICATION No. 461 of 2006

For Approval and Signature:
HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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INOX INDIA LIMITED - Petitioner(s)
Versus
. - Respondent(s)

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Appearance :
MR GN SHAH for Petitioner(s) : 1,
MR PURVISH J MALKAN for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH

Date : 23/01/2007

ORAL JUDGMENT

1. This Company Petition is filed under Sections 391 to 394 of the Companies Act; 1956. The petitioner is a transferee company and by way of

this Company Petition seeks sanction of the scheme of amalgamation of Refron Cylinders Limited (transferor company) with the transferee company. It is submitted that the transferor company has its registered office at Mumbai and hence, necessary proceedings have been taken out in Mumbai and the scheme has been sanctioned by the Mumbai High Court by order dated 10.1.2007 passed in Company Petition No.683 of 2006.

2. The petitioner has set out its objects so also the purpose of evolving the scheme. It is pointed out that the scheme, if sanctioned, would result in efficient and proper management of the business of the companies. It is submitted that the scheme for the amalgamation of transferor company with the petitioner company has been proposed with a view to achieve synergies in terms of optimizing capacity utilization which in turn will benefit the petitioner company and the transferor company. It is submitted that the petitioner has complied with the statutory provisions.

3. It has been pointed out that vide order dated 25.8.2006 passed in Company Application No. 461 of 2006, the meetings of the equity shareholder and unsecured creditors of the petitioner (transferee) company were directed to be convened on 12.10.2006, which were accordingly convened where the scheme has been unanimously approved. The meeting of the secured creditors was dispensed with in view of the consent letters placed on record. Since compliance with the necessary provisions has been made and due declaration also set out, the learned counsel seeks sanction to the scheme of amalgamation.

4. The petition was admitted on 3.11.2006 and the same was duly advertised in two local newspapers viz. “Indian Express” (English) and “Divya Bhaskar” (Gujarati) – both Vadodara edition dated 11.11.2006. Publication in the Government Gazette was dispensed with. Affidavit dated 21.12.2006 confirms the said compliance. Noone has come forward with any objections to the said

petition even after the publication.

5. The notice of the petition has been served upon the Central Government. The learned counsel appearing for the Central Government has placed on record an affidavit dated 4.1.2007 filed by Assistant Registrar of Companies along with the letter of the Regional Director dated 4.1.2007 whereby, it has been indicated that the Central Government has no objection to the sanction of the proposed scheme.

6. I have heard Ms. Sonali Desai, learned advocate appearing for Shri G.N.Shah, learned advocate appearing for the petitioner company. I am satisfied on perusal of the petition and annexures so also the aforesaid affidavit that no prejudice will be caused, if the scheme as proposed by the petitioner, is sanctioned. The scheme has detailed the benefits, which it will bring to both the companies under the same management on account of the amalgamation of both the companies. It appears that the

amalgamation would be to the mutual advantage of both the transferor and transferee companies. As stated above, no objections are received by this Court opposing the proposed scheme of amalgamation. The Central Government has submitted its no objection. Hence, there is no reason for disapproving the scheme of amalgamation.

7. For the reasons stated above, prayers in terms of paragraph – 26 of the Company Petition No.203 of 2006 are granted. This petition is disposed of accordingly.

8. So far as costs to be paid to the Central Government Standing Counsel is concerned, it is quantified at Rs.3500/- and the same may be paid to Shri P.J.Malkan, learned Additional Central Government Standing Counsel by the petitioner company.

[M.R.Shah, J.]

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